

THE TALENTED MR. SGARBI



Helg Sgarbi was a dashing, cosmopolitan rogue who spent years seducing, blackmailing, and defrauding some of Europe's wealthiest women—until that day in a restaurant parking lot when the heiress to the BMW fortune turned the tables...

By William Boston

He knew he had one shot.

If Helg Sgarbi blew it—if he moved in too fast, aroused her suspicions—she would take flight. If he let on that he knew that the shy, attractive woman he was watching sip tea at the hotel juice bar inside this exclusive alpine retreat was Germany's wealthiest woman, there would be no second chance.

Susanne Klatten, then 45, was a woman who had perfected the art of understatement. Correct and elegant but hardly attention-grabbing, she abhorred a scene and rarely wore more jewelry than earrings and a wedding ring. In her rare public appearances she was awkward, mechanical, dutiful; there was no trace of the vulgar flamboyance of the Kardashians and Hiltons who so dominate U.S. popular culture. Hers was a harsh beauty, with her ruddy skin, cool blonde hair in a pixie cut, and steel-blue eyes, a kind of beauty typical of German women whom history and circumstance have forced to wield power and influence, and who as a result impose on themselves an unforgiving self-discipline.

Susanne Klatten was many things to many people. To her husband and business partner Jan, a loyal wife; to her three children, a caring mother. But to the public she was the reclusive heiress to the Quandt family fortune, which is thought to be worth more than \$30 billion and includes a controlling stake in BMW, the elite German car manufacturer. She thought of herself as both a spiritual person and an entrepreneur, and she wielded an iron-butterfly authority over BMW board meetings. In the book *Driven: Inside BMW*, executives speak of how

well prepared she is at meetings, often with a list of questions written on a legal pad. In recent years she has used her influence within the company to push for the development of alternative energy technology. In 2010 the respected German business daily *Handelsblatt* named her investor of the year for her foresight.

But sometimes being Susanne Klatten is a heavy burden, and on July 9, 2007, she fled the pressures of her busy life in Munich for two weeks of leisure: walks in the alpine foothills and indulgent massages and manicures at the fashionable Lanserhof spa, near Innsbruck, Austria.

On July 12, just three days after her arrival, Helg Sgarbi checked in. Sgarbi moved in slowly. Square-jawed and blue-eyed, but with a certain air of vulnerability, the 42-year-old had caught Klatten's eye on the grounds, and he flashed a brief, friendly smile at breakfast one morning in the hotel dining room. But Sgarbi was not so much about just any opportunity as he was the perfect opportunity. You didn't get to be Helg Sgarbi by not being perfect.

He waited until a few days before she was scheduled to leave to make his move. He found her alone in the hotel lobby, reading *The Alchemist*, by the Brazilian author Paulo Coelho, and sat down next to her.

"My favorite book," he said.

"You've read it?" she returned.

He immediately engaged her in conversation. But as Klatten would later recall in her police testimony, that first chat was short. Sgarbi did not take risks. He worked methodically, according to a well-rehearsed



Sgarbi, just prior to his sentencing in a Munich courtroom, 2009

script. He won lonely women's trust with a combination of attentiveness—flowers, chocolates, small gestures that wives missed from their husbands—and by awakening their empathy. His victims often spoke of a certain sadness they sensed in him that evoked motherly feelings, leaving them wanting more of his attention while also longing to heal his pain.

The conversation between Klatten and Sgarbi was pleasant enough to whet the heiress's interest, and she accepted his invitation to take a walk with him the next day. They strolled through meadows brimming with wildflowers overlooking the fairy-tale village of Lans, with its half-timbered houses and narrow streets nestled beneath the snowy peaks of the Austrian Alps. Sgarbi told her he was a Swiss citizen and that he specialized in mergers and acquisitions in emerging technology in the energy sector. Klatten would later tell the Munich prosecutor that she found this "especially interesting, because I had been involved with this issue for about a year myself."

That was no coincidence. Helg Sgarbi knew everything worth knowing about Susanne Klatten, just as he knew everything worth knowing about all of the assorted heiresses, social figures, and just plain rich, unhappy women into whose orbits he slowly dropped, like a patient spider, before trapping them in his web of sex, lies, and blackmail. He was just good-looking enough to get their attention, yet not so good-looking as to telegraph the pathology of a Rubirosa-like gigolo. He studied them with the intensity of a biologist pursuing a cure under a microscope,

examining and analyzing their clothes, their histories, their reading lists and charities, their hobbies and vacation spots. When he was arrested in 2008, the police confiscated his laptop, and they found myriad Google searches and newspaper and magazine stories about Klatten. But Sgarbi did not rely merely on Google.

A month before meeting Klatten, he had courted Monika Sandler, a 49-year-old Bavarian entrepreneur and acquaintance of Klatten's whose children attended the same school as Klatten's. He and Sandler were in Kitzbühel, another Austrian resort town, in late June, and by chance—or, more likely, not—Klatten was also there that weekend. She would later tell the police that she'd seen Sandler and Sgarbi walking arm in arm, and had thought that "she seemed very much in love and taken by that man."

Sgarbi's biggest cache of information about Klatten may have come from his chats with a friend of the Quandt family, a Munich professor who has not been named publicly. It's unclear how and when Sgarbi became acquainted with the professor, but the mysterious friend of the Quandts knew intimate details about Klatten, including her vacation plans, her spiritual yearnings, and her two favorite vacation spots: St. Catherine's Monastery at the foot of Mount Sinai in Egypt, where the Bible says Moses received the Ten Commandments from God, and Petra, the ancient city carved out of desert cliffs in Jordan.

"I lean toward spirituality, and that was a major theme in our conversations," Klatten later told German investigators, in explaining how Sgarbi had won her over. "It was the leitmotif in our relationship."

THE QUANDTS

The Quandts are to Germany what the Fords and Carnegies once were to America: august and mysterious. They were also an intimate part of Germany's rise from the ashes of World War II to a global economic powerhouse, and they remain a family that wields considerable power in politics, business, and philanthropy.

Klatten had longed to be "free of this surname." When she was 16 the police foiled a plot to kidnap her, and she has kept a low profile ever since, often using a false name to disguise her identity. She attended public school, and her home in Munich is comfortable but unassuming. Susanne was a serious young woman, guided by a Prussian sense of duty rather than the narcissism of the global jet set. "It hurts me when I am measured only by money," she told a reporter from the *Financial Times* in 2008. "Money cannot value what or who I am. I want to be seen—as a person."

She studied marketing and management at the University of Buckingham in England and then business at IMD in Lausanne, Switzerland. She protected her privacy by introducing herself as Susanne Kant. "It was a great time," she once said of that period of anonymity. "That's what I wish for my children, that they would be recognized only by their first names. That is a great inner freedom that you need to develop, to get to know yourself." Indeed, when Klatten first met her future husband, then a young engineer at BMW, it was as Susanne Kant. She dated him for seven months before revealing who she really was.

The Quandts had originally immigrated to Prussia from Holland, and they built a successful textile business during the late 19th and early 20th centuries, eventually winning contracts to provide cloth for military uniforms and becoming a wealthy, influential industrial clan in the Weimar era. But in 2007, German public TV aired a documentary that offered fresh claims that the family really owed much of its wealth to deals Susanne's grandfather Günther Quandt made with the Nazis. After the broadcast the Quandts agreed to grant outsiders access to the family's archives for the first time, to get a fuller history of the Quandts' wartime activities. "They are very mistrustful," says German historian Rüdiger Jungbluth, who has written a biography of the family.

The fortune Susanne enjoyed had been built as part of Germany's economic miracle in the 1960s, and the entrepreneurial savvy of her father Herbert. In 1959 Herbert bet his fortune on BMW, took control of the company, and in 1962 launched the popular 1500 model. Today BMW is one of Germany's most powerful companies, valued at more than \$40 billion.



THE GIGOLO

Helg Sgarbi was born in 1965 in Zurich as Helg Russak, the son of a Swiss engineer who later moved the family to Brazil, where Helg spent most of his childhood. When he was in his teens, the family moved back to Switzerland after his father took a job in Winterthur, where Helg attended the local school. Former classmates remember him as an attractive, charismatic young man who always became the center of attention after he entered a room, and Helg lived for the times he could escape to the family's weekend cottage in Davos, the alpine playground for Europe's jet set. Back in Winterthur, tanned and fit, he made no secret of his affinity for stylish living, glamorous women, and fast cars. "He liked to move around in high society," one former school friend recalls. "Even back then he loved money."

At the University of Zurich, Sgarbi earned a degree in law. But what former students remember most are his charm and ambition—and his way with women. "There is no doubt that Helg lost his virginity long before he came to university," a former classmate once said.

After graduating, Sgarbi worked as an investment banker for Credit Suisse. He handled large customer accounts and specialized in mergers

At the Holiday Inn, an accomplice filmed Sgarbi and Klatten having sex through an adjoining door.

THE COUNTESS



Klatten (right) said she fell for Sgarbi because "he seemed very sad. That stirred a feeling in me that we had something in common." Opposite: Klatten's parents, Herbert and Joanna Quandt

Helg Sgarbi became aware of Countess Verena du Pasquier-Geubels from a German magazine article. "She wears diamonds as big as strawberries," it stated. The countess was 83 and had been living at the Hôtel de Paris in Monte Carlo for three decades. In his dark suit Sgarbi looked like a wealthy executive when he entered the lobby in May 2001 and signed in under the name Helg Russak.

In glamorous Monte Carlo, Sgarbi observed the countess for several days before making his move one evening when she was sitting alone in the hotel bar, having a nip of single malt whiskey. He introduced himself as Alexandre Russak, a lawyer and the chairman of a New York company called Russak & Partners. Soon Sgarbi and the countess were having dinner regularly. After each one he sent her a thoughtful gift: three roses or some chocolates, always with a personal note.

One evening over dinner Sgarbi told the countess the story that became the cornerstone of his con. With quiet flair he related that once, while on business in the United States, he'd been driving and had run into a young girl who had suddenly appeared in front of his car. The girl survived, he said, but would need years of medical treatment. The girl's family was demanding more in compensation than his insurance would pay, and he had already exhausted his own funds. And, to make matters worse, the girl's father was a ruthless Mafia boss.

"How much do you need?" asked the countess, concerned.

"Another 2 million Swiss francs," he said.

By now Sgarbi had his hooks in deep. The countess loved him and was convinced that he loved her. Within days of their first meeting, Sgarbi had asked her to marry him, and she had agreed. She took her new fiancé to the bank and withdrew the money.

She also fretted to Sgarbi over leaving her millions to her adopted son, from whom she was estranged. Feigning concern, Sgarbi helpfully offered that she could sign her assets over to him. That way, he explained, she would know that her money was safe from greedy relatives. Against warnings from friends, she did it, giving Sgarbi control of 27.9 million euros—nearly \$40 million.

No sooner had he seized the countess's assets than Sgarbi told her he had to go away on business. During his absence, friends of the countess alerted the police. A month later Sgarbi was arrested in Lausanne on charges of grand theft and spent eight days in jail.

Although she came to understand that Sgarbi had tricked her, the countess could not bear the thought of sending him to prison. When he agreed to return most of the money, she decided not to have him prosecuted, telling the court simply, "I do not wish to continue." Including small gifts of cash and items such as a Rolex watch, Sgarbi had squeezed more than 30 million euros out of her; in the end he agreed to return 25.4 million. Briefly caged—but having absconded with more than \$6 million—Helg Sgarbi was free again.

and acquisitions. He was a popular party guest, the tall, handsome guy in the corner of the room surrounded by beautiful women, a drink always in hand.

In Zurich in the early 1990s a sect formed around Ernano Barretta, an Italian who was a self-described faith healer. Barretta would hand out business cards that described his profession as "sensitivo," which roughly translates as a person with supernatural powers. Barretta's game was classic Sexy Sadie spiritualism: He would sprout stigmata on his hands every Friday and tell his disciples that he was suffering for their sins. Former associates have said that he demanded money from everyone and sex from female followers.

As Sgarbi went laughing, drinking, and flirting his way through parties, he met Barretta, who immediately recognized Sgarbi's gift with women and became determined to make use of it. "Barretta told [Sgarbi], 'Money is sinful. Rich women must be cleansed of it,'" a former disciple later told the Swiss *Tages-Anzeiger* newspaper. And so, it seems, Sgarbi morphed from mere hedonistic playboy into obedient sex machine, obsessed with making money for his guru. Sgarbi, in the words of one former Barretta disciple, "was shrewd and went straight after rich women."

THE LAST CON

Sgarbi met Susanne Klatten shortly after his successful bilking of Marie Luise Hiendl, whom he'd met in December 2005 at the Grand Hotel Quellenhof, in Bad Ragaz, Switzerland, through her husband, a successful businessman. Hiendl was 64, Sgarbi a dashing 40. "During the next few months I saw Helg Sgarbi several times. A love affair developed," Hiendl later told German investigators. "He was always very fascinating." Their relationship ended two years later—but not before she'd given him nearly 2 million euros.

Still, it seems highly improbable that someone like Helg Sgarbi could sneak in under radar as finely tuned as that of Susanne Klatten, who was constantly being approached for money. But later Sgarbi reportedly bragged to the police that he could "read women like a map." Everything is signposted, each turn in the road." His reading of Klatten, it turned out, was spot-on. "He was charming, attentive," she told investigators. "And he seemed very sad. That stirred a feeling in me that we had something in common."

Before leaving Lanserhof they exchanged cell phone numbers, and over the next few weeks they exchanged text messages. It's not clear how Sgarbi found out that Klatten was vacationing on the French Riviera—she may have told him—but the romantic flame was clearly lit.

Sgarbi continued to weave his web, telling her stories about his unhappy childhood. To explain his frequent trips and disappearances, he told her he was a special adviser to the Swiss government. In reality he was likely meeting with Ernano Barretta, the guru who had groomed him for life as a conning lothario.

Until that point Sgarbi's focus had been on getting into Klatten's bed; now he had to figure out how to get into her pocketbook. The police believe he drove from the Riviera to Barretta's compound in Pescosansonesco, in central Italy, where he and Barretta allegedly worked out how they would blackmail Klatten.

Sgarbi and Klatten met for a romantic rendezvous at the Holiday Inn in Munich's Schwabing neighborhood on August 21, 2007. Unknown to Klatten, they weren't alone. Sgarbi and Klatten were in Room 629; investigators now believe that Barretta rented the adjacent room, 630, which had an adjoining door. Investigators allege that Barretta or another accomplice filmed Sgarbi and Klatten having sex through a crack in the connecting door.

Now Sgarbi worked quickly. On August 26, a Sunday, Klatten received an urgent text message from him; they met later that day at the Tulip Inn Hotel in Schwaig, a village near the Munich airport. As Sgarbi spun his well-worn yarn about the little girl he'd run over and the Mafia demands, Klatten went cold. "Just stop it now," she said sharply, cutting him off in midsentence. "It's your responsibility. You have to face this situation alone." Perhaps sensing that he could lose the whole gambit, Sgarbi backed off.

Klatten left, but she kept thinking about Sgarbi's story. She began to feel guilty for not hearing him out. Raised as a considerate, thoughtful person—*pflchtbewusst*, as the Germans say—she sent him a fax a few days later. "If there are still things to clarify, I will listen to your story," she told him. Sgarbi called her and repeated the tale. Again Klatten interrupted him. "What do you want from me? Do you need money?" Sgarbi backed off again, sensing her resistance.

But Klatten continued to battle her emotions. "I felt bad, because I




had left this man in the lurch. I failed to help a person who was really in need," she said later.

A few days passed, but Klatten's feelings of guilt lingered. She called Sgarbi, offering again to listen. On September 6, 2007, they met once more at the Holiday Inn. Sgarbi knew it was time to roll the dice.

He told Klatten that he needed 7 million euros. Klatten gave in, and later she delivered the cash in 200-euro notes stacked neatly in a cardboard box, in the parking garage of the Holiday Inn.

At the end of September, Sgarbi urged Klatten to leave her husband and come live with him. The only hitch: Sgarbi did not yet have the means to live with her. Then he began describing a fund that he could invest in—if only he had 290 million euros.

It was a staggering amount. Klatten's radar, temporarily disabled, snapped back on. "I realized that he was again talking about my money," she told the police. "At that point I felt that the matter had become a real danger for the whole family."



Sgarbi and his legal team face the press mob at the start of his trial. His attorney would tell the court that the charges against his client were "in essence" accurate.

THE STING

On January 14, 2008, Helg Sgarbi sat nervously in a green Mercedes 300 sedan in the parking lot of a highway rest stop cafeteria in Vomp, Austria. He was waiting for Klatten, with whom he'd arranged the drop-off of 14 million euros—she had bargained him down—in exchange for the photos and video. But instead of Klatten, agents from Austria's crack Cobra police unit swooped in. Barretta, sitting in another car in the parking lot, was held for questioning but was later released to return to Italy.

European tabloids aren't subtle. After the story broke, the reclusive heiress became the laughingstock of the country, her face splashed across newspapers and magazines. Humiliated, she issued a statement: "I am struggling now in the name of every woman in my family. And in the names of many other women...I am glad to have done this."

As Germany awaited what promised to be its most sensational trial in decades, Sgarbi brought the circus tent down on March 9, 2009, when he pleaded guilty to fraud and attempted blackmail. The prosecutor demanded nine years in jail. The judge sentenced him to only six, justifying his leniency with the fact that Sgarbi had spared his victims the embarrassment of testifying in a lurid public trial.

"I deeply regret what has happened," Sgarbi said in a brief statement at his sentencing, "and apologize to the aggrieved ladies in this public hearing."

And then, as had been the case so many times before, he was gone, this time to jail. The Italian police have recovered some money stashed on the grounds of Barretta's estate, but there is no trace of the 7 million euros Sgarbi received overall from Klatten. Barretta, still facing prosecution in Italy on charges of fraud, criminal association, and extortion, insists he is innocent. Preliminary hearings for his trial have begun.

Susanne Klatten is trying to put the affair behind her. She has taken control of Nordex AG, a Hamburg-based wind turbine manufacturer. She is also investing in the carbon fiber industry, betting that the lightweight composite will one day replace much of the steel in all those BMW sedans and sports cars rolling off the assembly lines in Munich. And she is still married. "She is just moving on," says an associate. "In the grand scheme of things, Helg Sgarbi is a blip in her life."

As for Sgarbi, he is biding his time in Landsberg Prison, near Munich. Built in 1908, the fortresslike compound is where Adolf Hitler wrote *Mein Kampf*. Sgarbi is not likely to be writing his memoirs, though, out of fear that anything he says could tip off the police to the whereabouts of the millions he swindled. Because he has refused to tell the court where the cash is hidden, Sgarbi will serve the full sentence.

When he gets out of jail in 2015, he'll be 50 years old. With plenty of time to spend his money.

A few days later she called Sgarbi to break off the relationship. "What's going on with you?" he shot back. "Is someone holding a gun to your head?"

If Susanne Klatten thought it was over, she was mistaken.

She was staying at the Lanserhof again on October 16 when the reception desk handed her an envelope addressed to her. It contained compromising photographs of her and Sgarbi. Shortly thereafter, Sgarbi sent her a copy of the sex video—along with a demand for 49 million euros.

She noted that the photographs had been taken early on in their relationship. The careful, wounded heiress who didn't put her trust in many people had put it in exactly the wrong man. But if Sgarbi thought he was moving in for the kill, he soon discovered that he had greatly underestimated Susanne Klatten.

She calmly told him she would pay.

Then she went to the police.

